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12 ConocoPhillips Company

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA - SAN JOSE DIVISION

20 HOUTAN PETROLEUM, INC.) Case No. 3:07-cv-5627
21 Plaintiff,) **DECLARATION OF JAY ROLLINS IN**
22 vs.) **SUPPORT OF CONOCOPHILLIPS**
23 CONOCOPHILLIPS COMPANY, a Texas) **COMPANY'S APPLICATION FOR WRIT**
24 corporation and DOES 1 through 10,) **OF POSSESSION AND PRELIMINARY**
25 Inclusive) **INJUNCTION**
26 Defendants.) Date: January 25, 2008
27) Time: 10:00 a.m.
28) Courtroom: 1
29) Before: Hon. Samuel Conti

30 I, Jay Rollins, say:

31 1. I am employed by ConocoPhillips Company ("ConocoPhillips") as Bay Area
32 Sales Manager. I have personal knowledge of facts hereinafter set forth, and if called as a
33 witness could and would competently testify thereto.

34 2. Attached hereto as Exhibit A is an appraisal report prepared for ConocoPhillips
35 by Valuation Research Corporation. This appraisal lists, and establishes a value for, the
36 structures, improvements and equipment located at the gasoline service station at 101 East El
37 Camino Real, Mountain View, California (the "Station"). ConocoPhillips owns all of these
38 structures, improvements and equipment.

39 ///

1 3. None of ConocoPhillips' structures, improvements and equipment located at the
2 Station has been taken for a tax assessment, or fine, pursuant to a statute, or seized under an
3 execution against ConocoPhillips' property.

4 I declare under penalty of perjury, under the laws of the State of California, that
5 the foregoing is true and correct. Executed this 20th day of December, 2007, at Dawville,
6 California.



Jay Rollins

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EXHIBIT A



Valuation Research Corporation

50 California Street
San Francisco, CA 94111

Summary Exhibits of Leasehold Interest Appraisal

255661 – Mountain View, CA

Exhibits

- Exhibit 1 Valuation Summary
- Exhibit 2 Valuation Summary 2006 -- Value of Land and Improvements
- Exhibit 3 Valuation Summary 2006 -- Value of Improvements
Adjusted for Remaining Term of Lease
- Exhibit 4 Discounted Cash Flow Analysis -- Land Lease and Permits/Entitlements

Exhibit 1

Valuation Summary - Leasehold Interest
ConocoPhillips Cost Center 255661 - Mountain View, CA

Leasehold Interest

| | |
|--|---------------|
| Land Value (2007 Valuation) | \$1,729,000 |
| Land Capitalization Rate | <u>10.10%</u> |
| Implied Annual Market Rent | \$174,629 |
| Current Annual Contractual Land Rent | \$74,040 |
| Date of Valuation | 1-Jan-2008 |
| Lease Term - Expiration | 31-Oct-2007 |
| Remaining Term (Years) | 0.17 |
| Discount Rate | 9.70% |
| Fair Value Advantage/Disadvantage | \$0 |
| Permitting and Entitlements (2006 Valuation) | \$202,500 |
| Land Capitalization Rate | <u>10.10%</u> |
| Implied Annual Market Rent | \$20,453 |
| Date of Valuation | 1-Jan-2008 |
| Lease Term - Expiration | 31-Oct-2007 |
| Remaining Term (Years) | 0.17 |
| Discount Rate | 9.70% |
| Present Value - Permitting and Entitlements | 0 |

Leasehold Improvements

| | |
|---|------------------|
| Building Improvements | \$73,521 |
| Site Improvements | 54,499 |
| Gasoline Related Improvements | <u>212,002</u> |
| Total Leasehold Improvements | \$340,022 |
| Adjustment for Remaining Term of Lease | <u>(253,737)</u> |
| Total Leasehold Improvements Adjusted for Remaining Term of Lease | 86,285 |

Razing of Premises

| | |
|--|-----------|
| Current Estimated Cost of Razing Premises | \$0 |
| Adjustment for Inflation to Lease Term - Expiration @ 3% | <u>--</u> |
| Projected Cost of Razing | \$0 |
| Discount Rate | <u>--</u> |
| Present Value - Cost of Razing Premises Expense | 0 |

| | |
|---|-----------------|
| Total Market Value of the Leasehold Interest | \$86,285 |
| Rounded | \$86,000 |

 Land
 Permitting and Entitlements
 Leasehold improvements

Valuation Summary - 2007 Value of Land & Improvements
ConocoPhillips Cost Center 255661 - Mountain View, CA

Building Improvements

| | |
|--|------------------|
| Base Cost (Sec 64/Pg 1, Class S, Average) | \$95.03 |
| Multipliers: | |
| Area/Perimeter | 0.956 |
| Height | 1.000 |
| Current Cost | 1.030 |
| Local | <u>1.210</u> |
| Total | <u>1.191</u> |
| Adjusted Base Cost | \$113.18 |
| Building Area (SF) | <u>1,624</u> |
| Subtotal Replacement Cost New (RCN) | \$183,804 |
| Less Physical Deterioration @ 60% | <u>(110,283)</u> |
| Subtotal RCN Less Physical Deterioration | 73,521 |
| Add Soft Costs (Permitting and Entitlements) | <u>202,500</u> |
| Total RCN Less Physical Deterioration - Building | \$276,021 |

Site Improvements

| Description | Units | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNL |
|--|-----------|-----------|-----------|---------------|---------------|--------------------------|--------------|
| Grading | 24,700 SF | \$0.29 | 7,163 | -- | -- | -- | 7,163 |
| Asphalt Paving | 12,000 SF | \$2.44 | 29,280 | 6 | 10 | 60% | 11,712 |
| Concrete Paving | 8,000 SF | \$6.69 | 53,520 | 9 | 16 | 56% | 23,549 |
| Concrete Curbing | 370 LF | \$9.00 | 3,330 | 11 | 20 | 55% | 1,499 |
| Landscaping | -- | -- | -- | -- | -- | -- | 5,000 |
| Miscellaneous (Fencing, etc.) | 120 LF | \$25.00 | 3,000 | 0 | 25 | 0% | 3,000 |
| Trash Enclosure | 80 SF | \$5.65 | 452 | 15 | 25 | 60% | 181 |
| Lighting | 3 Fix | \$1,815 | 5,445 | 9 | 16 | 56% | <u>2,396</u> |
| Total Replacement Cost New Less Physical Deterioration - Site Improvements | | | | | | | 54,499 |

Gasoline Related Improvements

| Description | Units | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNL |
|--|----------|-----------|-----------|---------------|---------------|--------------------------|----------------|
| Canopy | 1,012 SF | \$29.44 | 29,793 | 9 | 16 | 56% | 13,109 |
| Canopy | 1,012 SF | \$29.44 | 29,793 | 9 | 16 | 56% | 13,109 |
| Signage | 1 Fix | \$7,879 | 7,879 | | | 50% | 3,940 |
| Machinery and Equipment: | | | | | | | |
| UST 12,032 Gal | 1 | \$41,689 | 41,689 | | | 46% | 22,512 |
| UST 12,032 Gal | 1 | \$39,120 | 39,120 | | | 46% | 21,125 |
| UST 550 Gal | 1 | \$11,151 | 11,151 | | | 46% | 6,022 |
| Dispensers | 6 | \$18,255 | 109,530 | | | 42% | 63,527 |
| Control Console | 1 | \$14,002 | 14,002 | | | 42% | 8,121 |
| Piping | -- | \$4,278 | 25,668 | | | 32% | 17,454 |
| Spill Containment | -- | \$24,530 | 24,530 | | | 44% | 13,737 |
| Additional Installation | -- | \$51,341 | 51,341 | | | 57% | 22,077 |
| Lift | 3 | \$6,441 | 19,323 | | | 71% | 5,604 |
| Air Compressor | 1 | \$4,273 | 4,273 | | | 61% | <u>1,666</u> |
| Total Replacement Cost New Less Physical Deterioration - Gasoline Related Improvements | | | | | | | <u>212,002</u> |

Subtotal Replacement Cost New of Improvements Less Physical Deterioration

\$542,522

Less Functional Obsolescence
Less External Obsolescence
0
0

Total Replacement Cost New of Improvements Less Physical Deterioration
Add Land Value

\$542,522

1,729,000

Total Estimated Value by the Cost Approach

\$2,271,522

Rounded

\$2,270,000

Valuation Summary - 2007 Value of Improvements Adjusted for Remaining Term of Lease
ConocoPhillips Cost Center 255661 - Mountain View, CA

Building Improvements

| | |
|--|------------------|
| Base Cost (Sec 64/Pg 1, Class S, Average) | \$95.03 |
| Multipliers: | |
| Area/Perimeter | 0.956 |
| Height | 1.000 |
| Current Cost | 1.030 |
| Local | 1.210 |
| Total | <u>1.191</u> |
| Adjusted Base Cost | \$113.18 |
| Building Area (SF) | <u>1,624</u> |
| Subtotal Replacement Cost New (RCN) | \$183,804 |
| Less Physical Deterioration @ 99% | <u>(182,554)</u> |
| Subtotal RCN Less Physical Deterioration | <u>1,250</u> |
| Total RCN Less Physical Deterioration - Building | \$1,250 |

Site Improvements

| Description | Units | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNLD |
|-------------------------------|-----------|-----------|-----------|---------------|---------------|--------------------------|-----------|
| Grading | 24,700 SF | \$0.29 | 7,163 | -- | -- | -- | 41 |
| Asphalt Paving | 12,000 SF | \$2.44 | 29,280 | 9.83 | 10 | 98% | 586 |
| Concrete Paving | 8,000 SF | \$6.69 | 53,520 | 15.83 | 16 | 99% | 535 |
| Concrete Curbing | 370 LF | \$9.00 | 3,330 | 19.83 | 20 | 99% | 33 |
| Landscaping | -- | -- | -- | -- | -- | -- | 28 |
| Miscellaneous (Fencing, etc.) | 120 LF | \$25.00 | 3,000 | 24.83 | 25 | 99% | 30 |
| Trash Enclosure | 80 SF | \$5.65 | 452 | 24.83 | 25 | 99% | 5 |
| Lighting | 3 Fix | \$1,815 | 5,445 | 15.83 | 16 | 99% | <u>54</u> |

Total Replacement Cost New Less Physical Deterioration - Site Improvements 1,312

Gasoline Related Improvements

| Description | Units | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNLD |
|---------------------------------|----------|-----------|-----------|---------------|---------------|--------------------------|--------------|
| Canopy | 1,012 SF | \$29.44 | 29,793 | 15.83 | 16 | 99% | 298 |
| Canopy | 1,012 SF | \$29.44 | 29,793 | 15.83 | 16 | 99% | 298 |
| Signage | 1 Fix | \$7,879 | 7,879 | | | 79% | 1,055 |
| Machinery and Equipment: | | | | | | | |
| UST 12,032 Gal | 1 | \$41,689 | 41,689 | | | 77% | 9,588 |
| UST 12,032 Gal | 1 | \$39,120 | 39,120 | | | 77% | 8,998 |
| UST 550 Gal | 1 | \$11,151 | 11,151 | | | 77% | 2,565 |
| Dispensers | 6 | \$18,255 | 109,530 | | | 74% | 28,478 |
| Control Console | 1 | \$14,002 | 14,002 | | | 74% | 3,641 |
| Piping | -- | \$4,278 | 25,668 | | | 77% | 5,904 |
| Spill Containment | -- | \$24,530 | 24,530 | | | 77% | 5,642 |
| Additional Installation | -- | \$51,341 | 51,341 | | | 78% | 11,295 |
| Lift | 3 | \$6,441 | 19,323 | | | 78% | 4,251 |
| Air Compressor | 1 | \$4,273 | 4,273 | | | 74% | <u>1,111</u> |

Total Replacement Cost New Less Physical Deterioration - Gasoline Related Improvements 83,722

Subtotal Replacement Cost New of Improvements Less Physical Deterioration \$86,285
 Less Functional Obsolescence 0
 Less External Obsolescence 0

Total Replacement Cost New of Improvements Less Physical Deterioration \$86,285

Cost Center 255661
101 E El Camino Real
Mountain View, Ca

| Months Year | 0 2007 | 0 2008 |
|---------------------------------------|-----------|-----------|
| Market Land Rent | | |
| Contract Land Rent | | |
| Advantage/(Disadvantage) | | |
| Present Value Factor | | |
| PV of Advantage/(Disadvantage) | | |
| Fair Value Advantage | | |

Fair Rental Value Permits/Entitlements
PV of Rental Value

Fair Value **\$0**

| | |
|---|------------|
| Valuation Date | 1/1/2008 |
| Current Term Expiration | 10/31/2007 |
| Final Expiration | 10/31/2007 |
| Market Land Rent | \$174,629 |
| Market Land Rent Annual Increase | 3% |
| Discount Rate | 9.70% |